



Patrick W. Henning, Director

April 24, 2009
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Arnold Schwarzenegger
Governor

Mr. Jan Vogel, Executive Director
South Bay Workforce Investment Board
11539 Hawthorne Boulevard, Suite 500
Hawthorne, CA 90250

Dear Mr. Vogel:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the South Bay Workforce Investment Board's (SBWIB) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. Larry Yanni from January 5, 2009, through January 9, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with SBWIB representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, SBWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on March 11, 2009, and reviewed your comments and documentation before finalizing this report. Your response adequately addressed finding one cited in the draft report. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90096.

BACKGROUND

The SBWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SBWIB was allocated: \$1,373,824 to serve 250 adult participants; \$1,321,315 to serve 384 youth participants; and \$1,276,038 to serve 400 dislocated worker participants.

For the quarter ending December 30, 2008, SBWIB reported the following expenditures for its WIA programs: \$502,340 for adult participants; \$270,909 for youth participants; and \$340,250 for dislocated worker participants. In addition, SBWIB reported the following enrollments: 170 adult participants; 237 youth participants; and 286 dislocated worker participants. We reviewed case files for 26 of the 693 participants enrolled in the WIA program as of January 5, 2009.

PROGRAM REVIEW RESULTS

While we conclude that, overall, SBWIB is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of services prior to enrollment. The finding that we identified, our recommendation, and SBWIB's proposed resolution of the finding is specified below.

FINDING 1

Requirement: 20 CFR 664.215 states, in part that all youth participants must be registered to participate in youth programs. Registration is the process of collecting information to support a determination of eligibility.

Observation: We found that 4 of 26 youth participants' Individual Service Strategy (ISS) were completed prior to the participant's enrollment into the WIA program. The ISS was completed seven to fourteen days before registration into the WIA program.

Recommendation: We recommended that SBWIB provide Compliance Review Office with a Corrective Action Plan (CAP), including a

timeline explaining how it will ensure that, in the future, the ISS is not begun until after the youth has been enrolled into the WIA program.

SBWIB Response: The SBWIB provided a CAP stating that the Youth Case Managers have been briefed by the One-Stop Managers that the ISS cannot be completed prior to enrollment into the WIA program. In addition, SBWIB's timeline indicates that they will make this an item of concern at their next scheduled on-site monitoring visits.

State Conclusion: The SBWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, SBWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SBWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Mr. Larry Yanni at (916) 654-8015.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
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